

NATIONAL CATHOLIC RURAL MOVEMENT

MEMORANDUM ON LAND SETTLEMENT

December, 1954.

At the meeting of N.C.R.M. Regional representatives in Melbourne on 23/11/54, the following Resolution was carried:

"That National H.Q. prepare a Memorandum outlining a proposal for a land settlement scheme and submit it to a special committee for investigation. This committee to be composed of Upper Murray Regional Council Land Settlement Sub-Committee, one representative from the Central Primary Produce Committee, and other persons as co-opted by H.Q.

That a report by this special committee be provided at the next meeting of the National Executive."

A short summary of the discussion which preceded this Resolution is as follows:-

"The Chairman explained that in view of present political circumstances it would be difficult to persuade any Government to enter into a colonization project. However, the offer from the Italian Government of £2,500 per settler was still available.

Discussion took place on the possibilities of acquiring land in selected localities for settling, say, two or three families, and financing such schemes partly from money raised by Galf Schemes, etc., and partly from the £2,500 per settler offered by I.C.L.E.

Irrigation area from Finley to Deniliquin was suggested as being highly suitable for such schemes.

The two major problems were:-

- (1) The possibility of acquiring suitable farm land and subdividing it economically.
- (2) The possibility of acquiring finance from the Galf Scheme, to the extent of approx. £1500 per settler, which could be added to the £2500 per settler offered by I.C.L.E."

RECENT ESTIMATES OF FOOD NEEDS:

In a survey of Australia's agricultural production in relation to population, issued by the Commonwealth Bureau of Agricultural Economics on 16/12/54, the following significant aspects were made:-

"Substantial increases in rural production will be essential if the demands of Australia's growing population are to be met during the next 22 years.

The survey estimated that even with no net immigration increase Australia's population would be about 11 million by 1976. But with a net immigration of 100,000 a year the population was expected to reach 13,900,000 by 1976.

The volume of rural production would need to be expanded by 27 per cent. from the 1952-53 level to meet the demands of a population of 10,000,000; and by 56 per cent. for a population of 13,900,000.

Since rural production in 1952-53 was 20.5 per cent above the three prewar years, rural output in 1976 would have to be 53 per cent greater than before the war if there was no net immigration.

But with a net immigration of 100,000 a year, agricultural production would have to be stepped up to 88 per cent above the prewar level.

The survey claimed that such an expansion was well within the limits of Australia's capacity."

The Commonwealth Statistician's figures reveal that food production per head of population in 1952/3 was 7% below that of the average of 1936/7 - 1938/9.

Total Exports, of which 85 - 90% are primary products, with wool 50% of the total, declined in quantity per head of population by 5% in 1953/4 compared with 1937/38.

At the same time the quantity of imports (particularly raw materials and capital equipment for manufacturing) had increased by nearly one-third.

We have been able to pay for these increased imports only because of relatively higher prices received for exports, and a substantial inflow of overseas capital.

Our overseas balances have been preserved since 1951/2 only by severe import restrictions. However, even this is not sufficient to hold the position and a serious international payments position is again recurring.

Our primary product exports are harder to sell because of relatively high cost production and inferior quality; United Kingdom's return to private buying has terminated our guaranteed markets; and temporary world surpluses have aggravated the situation.

To meet this, a national economic policy is required including a revision of the protective tariff, expansion of basic industries and more realistic price and wage policies

The N.C.R.M. believes that a large expansion of the number of farmers, on the basis of European patterns of settlement, is essential to help place the national economy on a stable and satisfactory basis.

We believe that because of the high cost of establishing farms on Australian standards (say, £12,000 - £15,000 each), and the nature of extensive farming, traditional methods will be found to be inadequate.

Low capitalisation of farms, diversification of production and decentralisation will assist greatly in solving national problems.

EUROPEAN PATTERNS OF SETTLEMENT:

- (1) The West European migrant and his family can be highly productive on as low as 10 hectares of land - roughly 25 acres - on the basis of intense culture. The determinant is adequate water supply. Land classified as second-class in Australia is sufficiently high in quality for this purpose, so long as the rainfall or other sources of water are sufficient to allow the farmers to improve the soil. The capital for land purchase per family is, therefore, very modest.

- (2) The initial housing requirements of the West European farm families are of the simplest. The West European understands that if he and his family work land they can build the kind of farm home they want out of their own accumulated capital saved over the years.

That they do not remain in the simple circumstances in which they begin is shown by the high standard of housing in the originally German settlements in South Australia and Victoria, and among the now well-established Italian families of North Queensland. Here again the original capital investment in which the Government is involved is very modest.

- (3) Denmark and Holland provide excellent examples of the combination of high productivity per head with large numbers employed in agricultural production. In Holland there are 235 males occupied in agriculture per 1000 hectares of arable and pastoral land; the productivity per head measured in International Units is 579 ϕ . In Denmark the respective figures are 146 and 642.

(ϕ International units - a device for comparing income levels in different countries.)

- (4) The threefold sequence (increased agricultural output, more imported raw materials, a high level of industrial employment) cannot be achieved without European patterns of farm settlement. A letter published in the Melbourne "Sun" (21/6/52) indicates the type of pattern in which the European is an expert operator:

"OUR DAIRY HERDS ARE TOO LARGE"

" 'Australian dairy farms and herds are too large,' Mr. Kenneth Fuller of Echuca, writes in a letter to the "Sun".

Mr. Fuller had dairying experience in Guernsey, Channel Isles, before working at the central research farm, Werribee, and then setting up as a dairy farmer.

'In my opinion the best way to increase dairy production would be to adopt some of the Guernsey methods,' he said.

Guernsey's carrying capacity would approximate one cow an acre and production a cow would surpass Australia's by up to 50 per cent.

Cattle are tethered to avoid waste of pasture, impracticable here where herds are large.

More of our sheep-carrying areas should be irrigated and small district demonstration farms established.

Root and cereal crops for concentrates must be grown in addition to pasture and hay.

In Guernsey, cows are fed on variety as well as quantity, they are housed during cold weather and bedded with litter to provide the essential organic manure and humus for cultivation.

Cows are milked throughout the year - thrice daily in summer. Production is thus maintained. For physical development, there is no calving until cows are three years old.

Land is cultivated intensely, under less favorable climatic conditions than here and with no irrigation areas.' "

- (5) The European rural migrant can do the job for Australia only on the condition that small areas of land are made available, that he is asked to repay the moderate loan capital involved only after he has been given sufficient time to establish himself, and only if he is free from bureaucratic interference.

This can only be assured if settlement takes place through the agency of co-operative settlement societies of the type envisaged in the N.S.W. and Victorian Co-operation Acts. These bodies can do the whole work of development and settlement, on the one hand relieving State and Federal Governments of the masses of administrative work involved, and on the other freeing the settlers from the dead hand of bureaucracy.

- (6) These co-operatives should naturally include Australians. The qualifications should not be racial but simply economic. If a person is ready to adapt himself to the fourfold conditions of life - working proprietorship, intense culture, small areas, village settlements - there is no reason why he should not be admitted to the settlement co-operative. On the land, the Australian will need to resist dragging in the red-herring of "peasant farming". The kind of "peasant farming" to which the Australian is thoroughly entitled to object is the conditions of tenancy prevailing in Central and East European countries and in certain parts of Southern Europe. This has nothing in common with the highly productive small farms of the Scandinavian countries, parts of Germany, and North Italy, which are based on freehold tenure and working proprietorship.

- (7) There are very extensive areas of Australian land suitable for this type of settlement.

A PROPOSAL FOR ABSORPTION OF MIGRANTS BY THE
ESTABLISHMENT OF COMMUNITY LAND SETTLEMENTS:

Appendix I sets out an ideal plan.

SOME ESSENTIAL CONSIDERATIONS:

The method of approach to a land settlement project may be either:-

- (a) Acquisition of existing farms, and sub-dividing those suitable for smaller holdings;
- (b) Acquisition of Crown Lands.

As an indication of the problems involved, reference to our negotiations over the Tasmanian colonisation project will be instructive.

- (1) The original proposal was to acquire undeveloped or semi-developed land either from the Crown or private owners, and, subject to geographical factors establish farms, say, of 100 acres each.
- (2) Farms to be equipped on a communal basis as far as possible, e.g. milking equipment to serve a unit of 4 farms; sharing of agricultural equipment, e.g. tractors. This would substantially reduce capital costs.
- (3) Dairying to be the main undertaking with cultivation of small cash crops - e.g. vegetables - as a supplement.
- (4) The colony to be close to an established market.

(5) Financial estimates. (See Appendix II for details)

(a) Originally we estimated the capital cost per farm - 50 farm colony - as follows:-

Improved capital value (100 acres)	£3850
Stock	630
Plant & Machinery	700
Provision for support of family in first few months	400
	<u>£5,580</u>

(b) The Tasmanian Agricultural Bank considered this sum too low and worked out an alternative scheme based on the acquisition of existing farms wherever they could be obtained in the State.

Estimated costs were -	
Improved capital value (area 80 - 90 acres)	£5,500
Stock	1,000
Plant & Machinery	<u>1,597</u>
	<u>£8,097</u>

The difference of £2,517 between (a) and (b) is explained thus -

Improved capital value	£1,650
Stock	370
Plant & Machinery	897
	<u>2,917</u>
Less provision for family	400
	<u>£2,517</u>

The Bank believed that our estimate of land costs of £15 an acre should be doubled thus accounting mainly for the increase in Improved Capital Value.

The Bank's increase of £897 for Plant and Machinery was due to their providing separate equipment for each farm as against our proposal for communal provision wherever possible.

(c) A second proposal by the Tasmanian Agricultural Bank based on the Closer Settlement Act is as follows:-

Land (150 acres)	£3,850
Buildings	<u>3,650</u>
	7,500
Plant & Machinery (Agricultural equipment to be shared by 2 farms)	1,010
Stock	<u>840</u>
	<u>£9,350</u>

(d) Summary of annual net income during first 3-4 years.

- 5(a) Nil, after providing £348 for family maintenance.
- 5(b) Deficit £333, after providing £400 for family maintenance.
- 5(c) Deficit £70, after providing £400 for family maintenance.

Obviously, in view of the high annual charges on capital repayment and interest only a capital cost of £5500 would be practicable. Even at this level the farmer would have only £6/15/- per week (£348 p.a.) to meet living costs. Home supply of dairy produce, vegetables etc. and allowance for rent of home would raise real income to Basic Wage level.

(6) New approach needed

Because of the apparent failure of the Tasmanian proposal and the likelihood that no other State Government would be prepared to support a similar scheme at the present time, we must consider alternative methods of financing new settlers:

- (a) I.C.L.E. will consider financing individual farms to the extent of £2,500 each.
- (b) The N.C.R.M. Calf Scheme may be able to supply milking stock (the value of which to be repaid to the Central Calf Committee either in cash or in kind to be determined) up to say 25 head for each of 50 farms.
- (c) Obtaining Government guaranteed loans through a Co-operative Community Development Society under the N.S.W. and Victorian Acts.
- (d) Canvassing private loans.

(7) Pilot areas

It has been suggested that the Finley (N.S.W. irrigation area may be a likely spot for a beginning.

A PROPOSAL FOR ABSORPTION OF MIGRANTS
BY THE ESTABLISHMENT OF
COMMUNITY LAND SETTLEMENTS

(1) NATURE OF THE PROPOSAL:

That the National Catholic Rural Movement, through a Co-operative Regional Development Society, should acquire, develop and settle a large area contiguous to an existing town in the Murray Valley. The pattern of settlement should be basically agricultural, and the settlers should be largely migrants from Holland, West Germany and Italy, with a fair proportion of Australians ready to practise the type of agriculture described below.

The following qualifications on this general proposal are made at this point and are strongly emphasised.

- (a) The settlement is not meant to be entirely agricultural. Industrial development is proposed within the township or townships around which the whole settlement will be developed.
- (b) The settlement is not meant to be entirely of foreign extraction. Ample opportunity will be given to Australians to enjoy even priority of selection, provided that they are ready to accept the general conditions of settlement. Nor will any foreign settlers be drawn from any one racial group. In addition to Dutch, Germans and Italians, it is proposed to include Poles, Ukrainians and other races so that the settlement will be thoroughly cosmopolitan.
- (c) The settlement is not meant to be entirely Catholic in composition. This requirement is insisted upon since even from the strictly religious viewpoint we believe that there is nothing to be gained by such a condition.

(2) TYPE OF AREA:

Any type of area with an adequate water supply, whether natural or by irrigation, would serve. The Murray Valley is of such a type because of its favourable climatic conditions and its general suitability for agriculture. We have no bias between an area with an adequate natural rainfall and an irrigation area, although we base our calculations on the latter since a sufficiently large area would be difficult to obtain in a district of the former type.

The Murray Downs Station (60,000 acres) is chosen as an example (no more) of the type of area we envisage. It is sufficiently large. It has a frontage to the Murray River of at least 18 miles. We estimate that at least 30,000 acres could be irrigated. It is on the opposite river bank to Swan Hill so that the first settlers would enjoy all the facilities of that town.

(3) BASIS OF THE SETTLEMENT:

Although the township would be so planned as to provide for all the industries which the settlement would require, the general basis of the settlement would be agricultural.

(4) NATURE OF THE SETTLEMENT:

The settlement will be based on an integration of three types of economic enterprises:-

- (a) The central township or townships, which will embrace the industries needed for serving the surrounding districts and for processing the products of the area.
- (b) A ring of small three or four-acre blocks on which will live either industrial or agricultural workers. These part-time homestead farms should be an integral part of any town plan since they secure for the district the industrial and seasonal labor which it needs.
- (c) A hinterland of full-time farms which should be based on the European pattern of family farming, diversification and intense culture. The size of the family farm would, of course, vary with soil and climatic conditions.
 (N.B.: As the size of the individual farm would be relatively small, the capital outlay per settler would be correspondingly reduced.)

The economic development of the settlement would be based, as far as possible, on co-operatives. The administration of the area would be based on Australian local government institutions.

Legal tenure would be perpetual lease. Rights of alienation would be so limited as to permit the co-operative society to enjoy a first option on any land to be transferred. This limitation is necessary in order to prevent concentration of ownership in the area.

(5) THE SETTLEMENT ORGANISATION

It is strongly urged that the settlement would have the best chance of success if it were to be carried through by a voluntary organisation, including representatives of the settlers, acting in co-operation with the various public authorities, rather than if carried through by a governmental agency.

Such a voluntary body could draw upon the experience of foreign experts who have had wide experience in the establishment of such settlements.

The National Catholic Rural Movement, in addition to its basic raison d'être - the furthering of agriculture - enjoys great advantages in this regard. Through its influential overseas contacts in Holland, West Germany and Italy, it could assist greatly in the screening of migrants from these countries.

The basis of organisation should, in our submission, be as follows:-

- (1) A Co-operative Regional Development Society, formed through the National Catholic Rural Movement, and registered under the N.S.W. and Victorian Co-operation Acts (or similar legislation where available in the case of other States.)

(ii) Once registered, such a Society is empowered by the Act to propose schemes of land settlement, and development, including housing, to the Registrar of Co-operative Societies. If he approves of the project, the Registrar may then issue a guarantee covering the costs of the project. We would propose to seek such a guarantee.

(iii) To reduce the original capital per settler, we suggest that the State Government should resume any selected property, and make it available to the Co-operative on a leasehold basis.

We believe that an experiment of the type suggested is greatly needed at the present moment to give a stimulus to regional development. We believe that in co-operation with public authorities such a plan would be carried through.

TASMANIAN AGRICULTURAL BANK		I.C.L.E. - N.C.R.M.	
ITEM	PROPOSAL NO. 1	PROPOSAL NO. 2 (Closer Settlement Act)	
	(A)	CAPITAL COSTS	
Land	(9) ac. @ £28 £2500	(150 ac. @ £26) £3850	(100 ac. @ £15) £1500
Buildings	£3000 5500	3650 7500	2350 3850
Stock	(20 cows) 1000	(20 cows) 840	(18 cows) 630
Plant & Machinery	1597	1010	700
Family Support	-	-	400
Notes:	Each farm self-sufficient in equipment. 8097	Agricultural equipment shared by two farms. 9350	Barns and milking machinery to be shared by 2 farms. Heavy agric. equipment to be owned co-operatively. 5580

(B) ANNUAL INCOME & EXPENDITURE (first 3-4 years)

Sale of farm products
Less trading expenses
" Repayment Capital
& Interest
" Living Exp.

Notes:

£1150
381
702
400
1483
333
Deficit

£1150
383
437 (1)
400
1220
70
Deficit

(1) Includes Rent & Interest (No capital repayments)

(1) Excess of £524 over Agric. Bank due to higher estimated sales of cash crops (potatoes and peas etc.) - this based on known capacity of Italians for intensive cultivation.

(2) Excess of £426 accounted for thus -

Fertiliser £128
Seed 144
Repairs - maintenance
(Depreciation not provided for by bank) 144
Miscellaneous 10
426

£1974 (1)

307 (2)

819
348
1974
-